HOME Application Training
February 11, 2015

- Preservation of Affordable Rental Housing Round
- Homebuyer Round

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Homebuyer and Preservation of Affordable Rental Housing Rounds –

The Application Process

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Homebuyer and Preservation of Affordable Rental Housing Timeline

Preservation & Homebuyer	Timeline
Applications Posted	January 23, 2015
Application Webinar	February 11, 2015
Applications Due	March 27, 2015
Awards Announced	May 28, 2015

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Application Process

- The HOME Application Policy and this webinar offers a brief review of the program requirements, but need to read and follow Program Manual for full understanding of requirements
  - 2014 CDBG & HOME Program Manual 3rd Edition available on IHCDA's website on May 29, 2014
  - http://www.in.gov/myihcda/files/CDBG_and_HOME_Program_Manual_3rd_Edition.pdf

- Technical assistance/site visit - not required but happy to meet you for a site visit or answer any questions, request early

- Application Review
  - Applications will be reviewed for Threshold, Completeness and Scoring
  - Reviewed for:
    - Completeness
    - Threshold
    - Scoring
  - Clarification Letters
  - An application must score 80 points to be considered for funding
  - Unfunded applications will not roll over into subsequent HOME application rounds

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Homebuyer and Preservation of Affordable Rental Housing -

Application Policies

APPLICATION FORMS AND POLICIES

The full application policies and application forms can be found on the IHCDA Partner website at the following link:

http://www.in.gov/myihcda/2482.htm

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ELIGIBLE APPLICANTS FOR <u>BOTH</u> ROUNDS

- Cities, towns, or counties that are located within Indiana but outside of participating jurisdictions
  - Refer to the HOME Policy for a complete listing of participating jurisdictions

- Community Housing Development Organizations (CHDO)

- 501(c)3 and 501(c)4 Not-for Profit Organizations and PSAs

- Joint Venture Partnerships

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SPECIFIC ELIGIBILITY REQUIREMENTS

<u>Preservation of Affordable Rental Housing Eligibility</u>

- Existing affordable housing developments assisted by HUD* or USDA Rural Development (RD); or

- Rental Housing Tax Credit (RHTC) Developments with Compliance Periods or existing HOME developments with affordability periods that have expired prior to the March 27th, 2015 due date of this application

  - *Per 24 CFR 92.214 (a)(4) HOME funds may not be invested in public housing projects

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SPECIFIC ELIGIBLE ACTIVITIES FOR <u>EACH</u> ROUND

<u>Preservation of Affordable Rental Housing Specific Eligible Activities</u>
- Acquisition and Rental housing rehabilitation
- Rental housing rehabilitation

<u>Homebuyer Specific Eligible Activities</u>
- Acquisition, rehabilitation and/or new construction of single-family housing.

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INELIGIBLE ACTIVITIES FOR <u>BOTH</u> ROUNDS

- Performing owner-occupied rehabilitation.
- Permanent Supportive Housing projects except for proposed projects that have successfully completed the Indiana Permanent Supportive Housing Institute.
- Group Homes
- Creation of Secondary housing attached to a primary unit.
- Acquisition, rehabilitation, or construction of nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories.
- Rehabilitation of mobile homes.
- Payment of loan servicing fees or loan origination costs.
- Tenant based rental assistance.
- Payment of back taxes.

INELIGIBLE ACTIVITIES FOR <u>BOTH</u> ROUNDS

- Acquisition, rehabilitation, refinancing or new construction of any part of a development or its land located within the boundaries of a one hundred (100) year floodplain. A flood plain determination letter must be provided for each parcel associated with the project.
- Acquisition, rehabilitation or construction of any developments that will be applying for RHTC.
- Any housing activity funded under Title VI of NAHA, prepayment of mortgages insured under the National Housing Act, pubic housing developments, or acquisition, rehabilitation or construction of any developments funded under HUD's former rental Rehabilitation Program.
- Costs for supportive services, homeless prevention activities, operating expenses, or for the use of commercial facilities for transient housing.
- Acquisition, rehabilitation or construction of transitional housing or emergency shelters that are designed to provide temporary daytime and/or overnight accommodations for homeless persons.

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SPECIFIC INELIGIBLE ACTIVITIES FOR EACH ROUND

Rental Specific Ineligible Activities
- Per 24 CFR 92.214 (a)(4) HOME funds may not be invested in public housing projects.
- Homebuyer activities
- Rental housing that does not conform to the definition of existing federally assisted affordable housing as defined in this application policy.

Homebuyer Specific Ineligible Activities
- Rental Housing

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SUBSIDY LIMITATIONS & ELIGIBLE ACTIVITY COSTS FOR <u>BOTH</u> ROUNDS

- Maximum request for rental: $750,000
- Maximum request for homebuyer: $500,000
- For specific budget limitations, see policy
- Per unit subsidy limitations are below

Bedroom Size	Per Unit Subsidy Limit
0	$55,000
1	$63,000
2	$77,000
3	$99,000
4+	$109,000

HOME PROGRAM REQUIREMENTS FOR <u>BOTH</u> ROUNDS

- 24 CFR Part 92 regulatory requirements
- 25% match requirement
- 2 Inspections
  - Completion of documented scope of work
  - Upon completion of construction
- Environmental Review Record (ERR)
- Proof of Builder's Risk Insurance
- Competitive Procurement Procedures
- Davis Bacon requirements containing 12 or more units assisted
- Address Lead Based Paint (24 CFR Part 35)
- Meet 24 CFR design and construction requirements
- Uniformed Relocation Act (URA) Requirements
- Demonstrate action to affirmatively further fair housing
- Section 3 – if award is over $200,000
- Additional energy efficiency standards for new construction

HOME PROGRAM REQUIREMENTS FOR BOTH ROUNDS

- Affirmative Marketing Procedures for 5 or more HOME assisted units
- Recorded Lien and Restrictive Covenant Agreement
- Limited English Proficiency assistance
- If HOME funds are used for acquisition of vacant land or demolition in conjunction with another activity, then construction must commence within twelve (12) months of the demolition or acquisition.
- Manufactured homes are eligible if they meet IHCDA's Manufactured Housing Policy or if rehabilitation will bring the unit up to the standards outlined in the Homebuyer Policy (Section 3.1).

SPECIFIC HOME PROGRAM REQUIREMENTS FOR <u>EACH</u> ROUND

Rental Specific Requirements

- Rental housing must assist households at or below 60% AMI
    - Projects with 5 or more HOME-assisted units must set aside 20% for households below 50% AMI
- For ongoing rental compliance, list tenant events for rental development in ihcdaonline.com

Homebuyer Specific Requirements

- Any HOME-assisted homeownership unit not sold within 6 months shall be converted to a rental unit.
- Homebuyer projects must assist households at or below 80% AMI
- Homebuyers must receive housing counseling before purchase
- The recipient must implement resale requirements for every homebuyer property receiving HOME funds as a development subsidy.
- Recipients are required to identify and qualify homebuyers prior to acquiring and beginning construction on HOME-assisted units.
- HOME-assisted housing units must be occupied as the homebuyer's principal residence throughout the affordability period.

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AFFORDABILITY REQUIREMENTS FOR BOTH ROUNDS

Amount of HOME subsidy per unit	Affordability Period
Under $15,000	5 Years
$15,000 - $40,000	10 Years
Over $40,000 – Or any rehabilitation/refinance combination activity	15 Years
New Construction or acquisition of newly constructed transitional, permanent supportive, or rental housing	20 Years

- All Home-assisted rental units can use resale restrictions; recapture provisions, or a combination of both to preserve affordability.
- Resale restrictions shall be implemented for every homebuyer property constructed, redeveloped, or rehabilitated.

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Threshold and Scoring Checklist

HOME THRESHOLD & SCORING CHECKLIST

- Threshold and Scoring Checklist for the HOME application. It will be a separate document to be completed and included with the submitted application.
- Applicant will be required to complete Cover Page tab, as well as all boxes under the "Applicant Checklist" column (Even if N/A).
- Yellow boxes refer to additional documentation that is needed to be supplied in a tab. The tab is listed to the left.
- The final page includes an overview of the tabs to look over all of the boxes. These boxes will auto fill based on responses throughout the checklist.
- If you wish to include additional information, document names, scoring clarifications/discrepancies, or page numbers for particularly long documents submitted, please include these in the notes section.

HOME THRESHOLD & SCORING CHECKLIST (CONT'D)

For IHCDA to complete

Additional Information/ Page Numbers/ Document Name/ etc.

Tabs

Applicant Checklist Column

COMPLETENESS & THRESHOLD CRITERIA

- All documentation must be turned in by the application due date and uploaded to the FTP website
- All questions must be answered and supporting documentation must be provided
- After initial threshold and scoring review, IHCDA staff may contact the applicant for further clarification of an item.

	Applicant Checklist	IHCDA Checklist
Overall Completeness Checklist	**Yes *or* No**	**Yes *or* No**
Is every applicable question answered?		
Are all required signature pages signed?		
Was the Application Form uploaded to the FTP site by the due date?		
Are all required Tab Attachments uploaded to the FTP site by the due date? Were all Tab Attachments submitted as separate, labeled PDF documents under the required labeled tabs. Do not send one PDF containing all of the supporting documentation.		
Was a hard copy of the Application Form with original signatures sent to IHCDA by the due date?		
Does the applicant, sub-recipient, administrator, or application preparer have a history of disregarding the policies, procedures, or staff directives associated with administering IHCDA programs or the programs of other affordable housing funders such as Office of Rural Affairs, HUD, USDA-Rural Development or FHLBI?		
Did the applicant submit the assessment worksheet as Tab S.		

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SCORING OVERVIEW

- An application must score at least 80 points to be considered for funding.
- If an application meets all applicable requirements, it will be evaluated and scored based on the chart below.
- If there are multiple counties, the applicant should add up the scores from each county and average them, rounding to the nearest whole number. If the number is not a drop down option, please include the desired score and the explanation of why in the notes section next to the category.
- Categories that have scored more than the total possible will show up as red. Please correct the scoring discrepancy or give an explanation in the notes section of the Threshold and Scoring Review.

Scoring Category	Points Possible
Project Characteristics	38
Development Features	25
Readiness	13
Capacity	25
Financing	10
Unique Features & Bonus	10
Total Possible Points	121

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Application Submission Via FTP Site

SUBMITTING APPLICATION

- The applicant must submit the following items to IHCDA's Real Estate Department Coordinator:
  - Via FTP site:
    - One completed copy of the final application forms
    - All supporting documents required in the tabs
  - Via hard copy:
    - One completed copy of the final application forms with original signatures

- All required application items are due no later than 5:00 p.m. March 27, 2015

- Applications received after the deadline will be returned to the applicant via certified mail. Faxed applications will not be accepted.

The hard copy of the final application forms should be sent to:
Indiana Housing and Community Development Authority
ATTN: Real Estate Department Coordinator
RE: HOME Application
30 South Meridian Street, Suite 1000
Indianapolis, IN 46204

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1. EMAIL IHCDA WITH CONTACT INFO

Dani Miller
danmiller@ihcda.in.gov

Include:
- Full Name
- Email
- Preferred Password
- Project Name

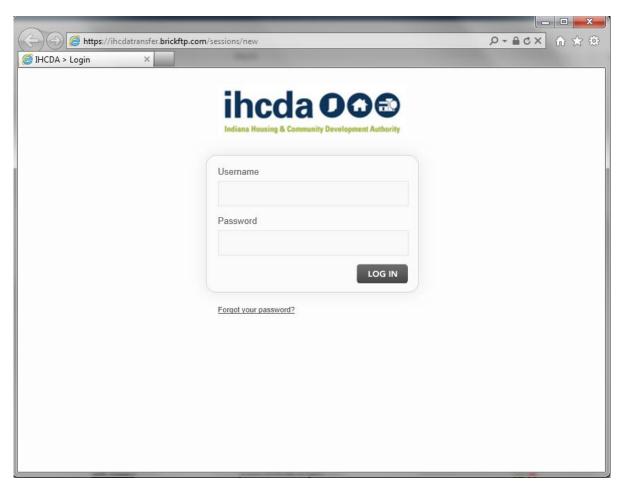# 2. IHCDA WILL ASSIGN YOU A USERNAME GIVEN IN A CONFIRMATION EMAIL.

*If there is an issue, email danmiller@ihcda.in.gov
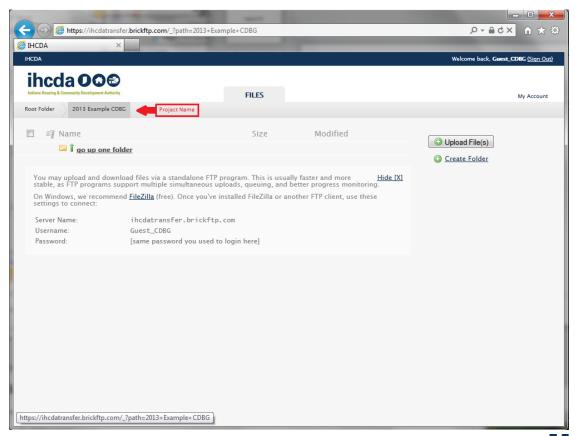
Do not reply to welcome email.

3. CLICK ON THE LINK IN THE EMAIL AND LOGIN USING YOUR USERNAME IN THE EMAIL AND PASSWORD YOU SELECTED
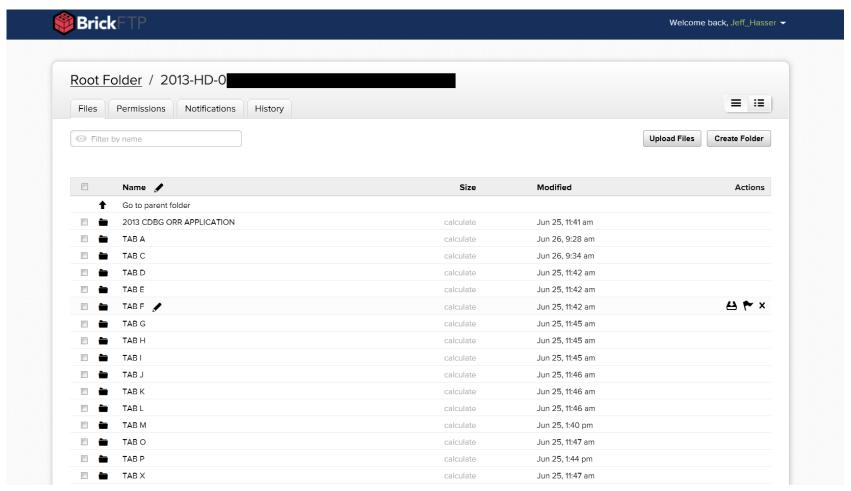
4. YOUR INITIAL SCREEN SHOULD INCLUDE A FOLDER CREATED FOR YOU AT THE TOP OF THE SCREEN WITH THE PROJECT'S NAME

5. CREATE FOLDERS FOR APPLICATION AND ALL TABS (EVEN IF EMPTY)
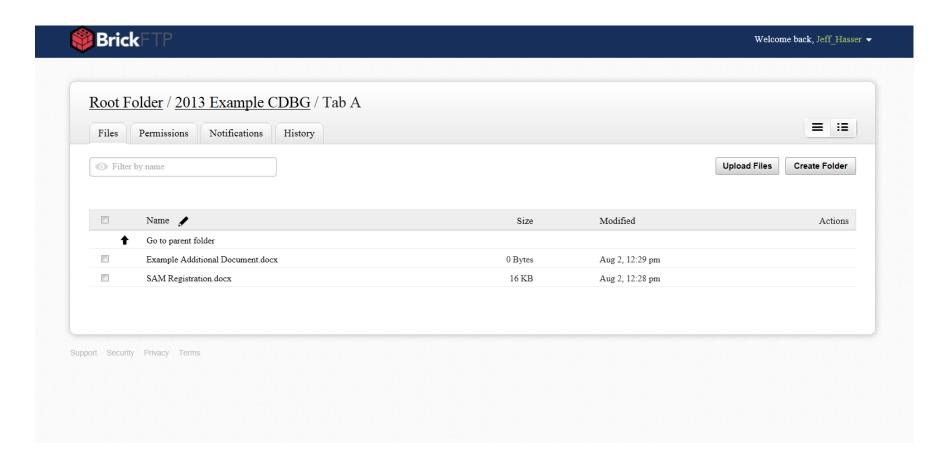
6. BEGIN TO UPLOAD FILES FOR YOUR APPLICATION BY CLICKING THE UPLOAD FILE BUTTON
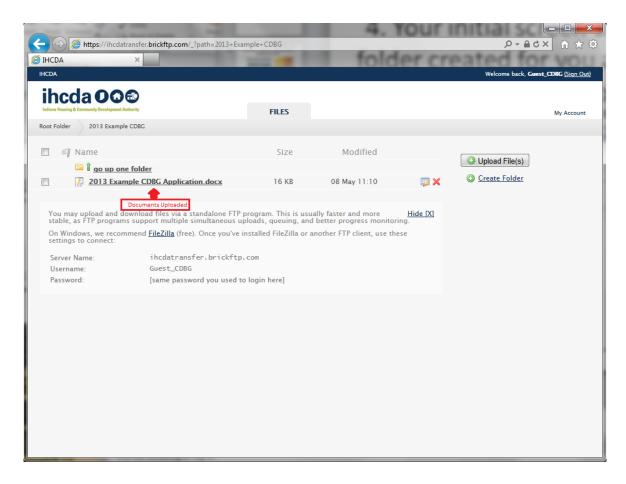
6. UPLOAD EACH FILE OR DOCUMENT INDIVIDUALLY

7. CHECK THAT ALL OF THE APPLICATION DOCUMENTS HAVE BEEN UPLOADED AND EXIT

THANK YOU!

Questions?